VZCZCXRO5120
OO RUEHROV
DE RUEHTV #2707/01 3481025
ZNR UUUUU ZZH
O 141025Z DEC 09
FM AMEMBASSY TEL AVIV
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4597
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

UNCLAS SECTION 01 OF 03 TEL AVIV 002707

SENSITIVE SIPDIS

E.O. 12958: N/A

TAGS: PREL PGOV KWBG SY IS

SUBJECT: DEFENSE MINISTER BARAK BRIEFS THE DIPLOMATIC CORPS

- (SBU) Summary. Defense Minister Ehud Barak briefed members of the diplomatic corps December 11 on the role of the Labor Party in Netanyahu's coalition government. Barak noted Labor's role in moderating the coalition's right-wing tendencies, and stressed the GOI's commitment to move forward in peace negotiations with the Palestinians. He admitted that the settlement moratorium fell short of Palestinian expectations but said even Rabin's government had not halted private construction in settlements. The moratorium, he said, is a way to "ensure that the door (to negotiations) remains open." Barak said the settlers were "agitated" by the moratorium because it is the first time the government has ordered a full stop and they see it in the context of the Gaza disengagement. Barak said he would not predict what will happen after ten months, but said the lack of Arab response is making it more difficult for the GOI. He urged the international community to pressure the PA to enter negotiations. On the new list of national priority areas, Barak said that while Labor wants to prioritize communities in the Galilee and Negev, they have to realize they are not alone in the coalition. Barak reiterated that priority status for settlements will not apply to housing. Overall he stressed that the moratorium was meant to keep the door open to the Palestinians to enter negotiations, but said the most difficult part for Abu Mazen may be "crossing the corridor to reach the door." On Syria, Barak said Israel should seize every opportunity to engage. He noted the differences between Syria and Israel's preferred approach to negotiations and said "diplomatic creativity" should be used to close the gaps if possible. Barak assured the diplomatic corps that he believes "leaders are capable of making tough decisions when circumstances so require." Barak said even the right-wing members of the GOI coalition understand that stalemate with the Palestinians will mean more violence. End Summary.
- 12. (SBU) Minister of Defense and Labor Party Chairman Ehud Barak briefed members of the diplomatic corps at the party's training institute (Beit Berl) in Kfar Saba December 11. Barak's main goal appeared to be to send the signal that the Labor Party remains relevant and is playing an important role in moving Prime Minister Netanyahu's right-leaning coalition toward the center, particularly on Israeli-Palestinian peace issues.

## GOI Committed to Peace

13. (SBU) After a brief introduction by former Member of Knesset and Chairwoman of the party's international department Collette Avital, Barak began by praising President Obama's Nobel Prize acceptance speech in Oslo, noting that the President had defined the major security challenges facing the world as nuclear proliferation, Islamist extremist terrorism, and rogue and failed states, all of which are linked. Barak noted that Israel is at the focal point of these challenges, which can only be dealt with effectively through a broad international coalition. He added that he also sees opportunities through Israel's search for peace with the Palestinians, as well as with Syria and Lebanon,

hopefully in the framework of a regional peace arrangement.

14. (SBU) Barak said the GOI is committed to moving forward with the Palestinians, but it is unclear whether Abu Mazen intends to return to negotiations. At the same time, Israel is preparing for renewed confrontations with Hamas and Hizballah as well as dealing with the challenges posed by Iran. Noting that since the Labor Party did not receive a popular mandate to lead in the last elections, it faced a choice of joining a right-wing government or entering the opposition. Barak said he made the choice to join Prime Minister Netanyahu's coalition government in order to promote the opportunities for peace while helping Israel cope with the many challenges it faces. He asserted that Labor has achieved a lot in the eight months since the coalition was formed. Without Labor, Barak doubted that the coalition would have endorsed the two-state solution. He defined the GOI's goal as a peace agreement leading to the establishment of a contiguous, viable Palestinians state and the end of the occupation that began in 1967. This could not have happened, he said, without Labor in the coalition. While joining the coalition had cost Labor some internal cohesion, Barak urged the diplomatic corps not to pay too much attention to polling data, but to focus on Labor's commitment to "do the right thing." Barak said he did not believe it would make sense for Labor to join the left-wing Meretz Party, since the answers to Israel's security challenges are "at the center of the spectrum."

Settlement Moratorium

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- 15. (SBU) Barak admitted that the GOI's settlement moratorium falls short of Palestinian expectations, but he asserted that it should be seen as a daring step not taken by any previous Israeli government. Barak described his vision as the large settlement blocs remaining part of Israel in any agreement with the Palestinians, while the fate of the isolated settlements should be resolved through negotiations. Barak said he reminded Abu Mazen that the latter had negotiated with PM Olmert while the rate of construction in settlements was twice what it is now. Striking a theme he repeated several times, Barak called on the international community to help convince Abu Mazen that the time has come to start negotiations. The settlement moratorium, he said, was intended to be a way to ensure that the door to negotiations is left open.
- 16. (SBU) In response to A/DCM's question regarding difficulties in implementing the moratorium, Barak said the settler resistance was greater than expected. He explained that this was due in part to the settlers' realization that the moratorium was unprecedented in that it covered privately funded construction as well as public construction, something Barak said even Rabin's government had not done. The settlers are linking this step to Sharon's decision to disengage from Gaza, he stated. Labor would like to propose voluntary movement of settlers and government compensation, but he said it was too early to pursue this legislation.
- 17. (SBU) Noting PM Netanyahu's public comments that construction in the West Bank would resume after ten months, Barak said he preferred not to discuss what steps the GOI would take at the end of the moratorium. He noted that the GOI's position was made more difficult by the lack of a positive Arab response to the moratorium. Israelis are saying that the GOI made a unilateral concession and got nothing in return. The Palestinians, Barak commented, should feel more pressure from the international community to negotiate with Israel. Abu Mazen feels that he is up in a tree and he needs help to get down. Barak stated that the moratorium was "not a tactic" but a serious effort to get negotiations restarted. The time limit was meant to give Abu Mazen the incentive to come to the table.

## National Priority Areas

18. (SBU) Noting the announcement by PM Netanyahu's office of plans to change the map of communities defined as national priority areas, Barak said this designation gives heads of municipalities and local councils an advantage in seeking additional funding. Labor would like to prioritize funding for the Galilee and Negev regions rather than settlements, but Barak noted that Labor must bear in mind that it is part of a coalition government. He assured the diplomatic corps that the national priority area designation for isolated settlements was based on their security needs and would not include housing incentives.

## Seek Opportunities to Engage Syria

19. (SBU) Barak said Israel should "exploit any opportunity" to engage Syria. President Asad's recent statements about wanting to resume negotiations were "not a coincidence." Barak noted, however, that Asad wants negotiations to be indirect and public, while Netanyahu wants negotiations to be direct and secret. Asad effectively wants the outcome of negotiations to be known in advance. Using the analogy of a corridor leading to the "door" of negotiations, Barak commented that all the parties are afraid of coming under assault and even being killed (at least politically) while crossing the corridor to get to the door. Creative diplomacy should be applied to shortening the corridor so that the parties can engage in a serious process.

## GOI Able to Take Tough Decisions

110. (SBU) Asked whether the Israeli government is capable of taking tough decisions, Barak said he believes that Israeli leaders are capable of making difficult decisions when the situation requires. Menachem Begin decided to give up the Sinai, while Sharon deserted the Gaza settlers. Rabin accepted the Oslo process even though he despised Arafat. The question was how to cross the corridor in order to reach the door. Abu Mazen, he commented, might be willing to take a decision to make peace but still not be able to cross the corridor. Barak concluded the briefing by commenting that a political stalemate would create a vacuum that would in turn be filled by a return to violence. The right wing elements of the GOI coalition also understand this situation and

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therefore are willing to make concessions to break the stalemate.  ${\tt CUNNINGHAM}$